

Illinois Power Company

Ill. C. C. No. 31

Schedule of Rates for Electric Service

Original First Revised Sheet No. 95.1

(Canceling Original Sheet No. 95.1)

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**TRANSITION CHARGE FOR NON-RESIDENTIAL CUSTOMERS**

**1. Applicability**

- (a) This Rider is applicable to the following non-residential Customers in Utility's Service Area: (i) all Customers served under Service Classification 110, (ii) all Non-Qualifying Self-Generation Customers, and (iii) all Direct Purchase Customers.
- (b) A Customer served under Service Classification 110 shall be billed each billing period for an amount of Transition Charges equal to the product of the number of kWh delivered to Customer under Service Classification 110 in the billing period (adjusted, if necessary, in accordance with subsection 1(e) hereof), multiplied by (i) the Transition Charge for the current Annual Period applicable to Customer, if Customer's Transition Charge is determined by a Customer-specific calculation as provided in Section 3 hereof or (ii) the Transition Charge for the current Annual Period applicable to the TC Group which includes Customer. The amounts in (i) and (ii) shall be calculated in accordance with Section 4(a) of this Rider.
- (c) A Non-Qualifying Self-Generation Customer shall be billed each billing period for an amount of Transition Charges equal to the product of the number of kWh received by such Customer from Customer's Non-Qualifying Self-Generation Facility as though such kWh had been delivered to Customer by Utility, multiplied by (i) the Transition Charge applicable to Customer, if Customer's Transition Charge is determined by a Customer-specific calculation as provided in Section 3 hereof or (ii) the Transition Charge applicable to the TC Group which includes Customer. The amounts in (i) and (ii) shall be calculated in accordance with Section 4(a) of this Rider except that a factor DSc shall not be included in such calculation.
- (d) A Direct Purchase Customer shall, on or before its Direct Purchase Customer Determination Date, either (i) pay Utility a lump-sum amount equal to the total amount of Transition Charges which the Direct Purchase Customer would pay Utility if it took service under Service Classification 110 from the Direct Purchase Customer Determination Date to December 31, 2006; or (ii) sign a contract with Utility obligating the Direct Purchase Customer to pay such lump-sum amount

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DATE 12-3-00 REPORTER CB

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1. Applicability (Continued)

## (d) (Continued)

ratably in equal monthly payments over the period from the Direct Purchase Customer Determination Date to December 31, 2006. The lump-sum amount of Transition Charges shall be calculated in accordance with Section 4(b) of this Rider.

- (e) If a Customer obtained electric power and energy from cogeneration or self-generation facilities installed for its own use on or before January 1, 1997 but subsequently takes service from an Alternative Retail Electric Supplier or an electric utility other than Utility for any portion of the Customer's electric power and energy requirements formerly obtained from such cogeneration or self-generation facilities, the Transition Charge otherwise applicable to Customer under Section 1(b) or 1(d) of this Rider shall not be applicable to that portion of Customer's electric power and energy requirements formerly obtained from such cogeneration or self-generation facilities, provided, that such portion shall not exceed the average number of kWh per year obtained from such cogeneration or self-generation facilities during the three years prior to Customer's Delivery Services Eligibility Date, and provided further, that the exemption from Transition Charges provided by this Section 1(e) shall not apply to any kWh purchased by Customer from Utility pursuant to Rider PPO.

2. Definitions

As used in this Rider, the following terms shall have the meanings set forth below. All other capitalized terms used in this Rider shall have the meanings set forth in Utility's Service Classification 110, in Utility's Standard Terms and Conditions and in Utility's Rules, Regulations and Conditions Applying to Delivery Services.

**Alternative Retail Electric Supplier** has the same meaning as set forth in Section 16-102 of the Public Utilities Act.

- \* **Annual Period** means the ~~calendar year~~ one-year period for which a Transition Charge is applicable, ~~provided that the period October 1, 1999 through December 31, 2000 shall be an Annual Period.~~

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2. Definitions (Continued)

\* **Business Type** shall mean one of the following establishments for which load profiles shall be applied in calculating Transition Charges, as provided in ~~Appendix 2 of this Rider~~ workpapers to this Rider regarding allocation of usage: (1) office, (2) restaurants, (3) retail, (4) grocery stores, (5) schools, (6) lodging, and (7) miscellaneous commercial.

**Central Prevailing Time** means Central Standard Time or Central Daylight Time as in effect in Utility's service area on any day.

\* **Coincident Peak Demand** means the demands of a Customer or TC Group each month occurring at the same time as the maximum demand on Utility's system in such month. For Customers or TC Groups for which there is not historical data on hourly usage, an estimate of the monthly Customer or TC Group Coincident Peak Demand shall be determined as described in ~~Appendix 1 to this Rider~~ workpapers to this Rider regarding coincident peak determination.

**Contract Rate** means the price or prices for electric service specified in a special or negotiated rate contract or in a contract service contract between Utility and Customer.

**Delivery Services Eligibility Date** means the date on which Customer first became eligible for Delivery Services, and shall be one of the following dates, as applicable to Customer: (i) October 1, 1999; (ii) the date between October 1, 1999 and December 31, 2000, on which Customer became eligible for Delivery Services on the basis of an average monthly maximum demand greater than 4 MW; or (iii) December 31, 2000. For all non-residential Customers first becoming a Customer of Utility subsequent to December 31, 2000, Customer's Delivery Services Eligibility Date shall be December 31, 2000.

**Direct Purchase Customer** means a Customer that takes electric power and energy from an Alternative Retail Electric Supplier or from an electric utility other than Utility but that does not take service under Service Classification 110 for delivery of such electric power and energy to Customer.

**Direct Purchase Customer Determination Date** means the later of (i) the date the Customer becomes a Direct Purchase Customer or (ii) the Direct Purchase Customer's Delivery Services Eligibility Date.

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2. Definitions (Continued)

**Firm** means electric power and energy priced on a cents per kWh basis which is not subject to curtailment by Utility except to the extent Customers served on Utility's Bundled Service Classifications (excluding Service Classifications 30 and 35, Rider S and the interruptible portion of any Contract Rate) are similarly curtailed.

**Neutral Fact Finder** means the person appointed by the Commission pursuant to Section 16-112(b) of the Public Utilities Act, 220 ILCS 5/16-112(b).

**NonFirm** means electric energy priced on a cents per kWh basis with no component in such price for the value of electric power.

**Non-Qualifying Self Generation Customer** means a Customer receiving electric energy from a Non-Qualifying Self-Generation Facility.

**Non-Qualifying Self-Generation Facility** means a cogeneration or self-generation facility or facilities located at Customer's premises which do not meet each of criteria (i) through (iv) in Section 16-108(f) of the Public Utilities Act, unless such facility (a) does not serve any other Customer and (b) either (i) was installed on behalf of Customer and for Customer's own use prior to January 1, 1997, or (ii) is both predominantly fueled from by-products of Customer's manufacturing process at such premises and sells or offers an average of 300 MW or more of electric power and energy produced from such facilities into the wholesale market.

**On Peak** means the hours beginning at 6:00 A.M. Central Standard Time and ending at 10:00 P.M. Central Standard Time for the days Monday through Friday, excluding NERC Holidays.

\* **Off Peak** means all hours that are not On Peak, including NERC Holidays.

\* **Tariff Rate** means the charges for electric service set forth in ~~Appendix 3~~ workpapers to this Rider for the Service Classification under which the Customer took service from Utility, or would have taken service from Utility had Customer been a customer of Utility, during the 12 months preceding the Customer's Delivery Services Eligibility Date. Such charges reflect the base rates in effect on October 1, 1996, adjusted for the elimination of Utility's fuel adjustment clause.

**TC Group** means a grouping of Customers for purposes of determination of a Transition Charge as provided in Section 5 of this Rider.

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3. Customers for Which Transition Charge Will be Determined by a Customer-Specific Calculation

Utility shall calculate the Transition Charge for each applicable Annual Period by a Customer-specific calculation for any Customer falling into at least one of categories (a) through (c) below, provided, that there exists either (i) data on Customer's usage during the three years preceding Customer's Delivery Services Eligibility Date, or (ii) if such data does not exist, comparable usage information or sufficient basis in Utility's reasonable judgment to develop a three-year usage history for Customer, and provided further, that Customer shall sign a contract with Utility specifying the Transition Charges to be paid by Customer. The Transition Charge applicable to each Customer subject to this Rider that is not entitled to a Customer-specific calculation shall be the Transition Charge calculated for the applicable Annual Period for the TC Group established pursuant to Section 5 of this Rider which includes Customer.

- (a) Any Customer with average maximum electrical demand on Utility's system during the six months with Customer's highest monthly maximum electrical demands during the three years prior to Customer's Delivery Services Eligibility Date of 100 kW or greater;
- (b) Any Customer served on a special or negotiated rate contract or a contract service contract during the 12 months preceding Customer's Delivery Services Eligibility Date, unless such contract prohibits use of Customer's Contract Rate to calculate Transition Charges; and
- (c) Any Customer served at a Delivery Voltage greater than 600 volts.

4. Determination of Transition Charge

- (a) For Customers taking service under Service Classification 110, the Transition Charge applicable to each Customer entitled to a Customer-specific calculation in accordance with Section 3, or to each Customer in a TC Group, for each Annual Period shall be calculated as follows:

$$TCc = (BRc - DSc - MVc - Mc) / Qc \times 100$$

Where:

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4. Determination of Transition Charge (Continued)

(a) (Continued)

TCc = Per kWh Transition Charge, expressed in cents per kWh and rounded to the nearest .001 cents, to be billed for each kWh delivered to Customer during the Annual Period, provided, that if TCc for such Customer or TC Group as calculated per the above formula for an Annual Period is less than zero, then Customer's Transition Charge shall be zero for such Annual Period.

BRc = The amount of revenue Utility would receive from a Customer entitled to a Customer-specific calculation in accordance with Section 3, or from the Customers in a TC Group, if Utility were serving such Customer's or Customers' electric power and energy requirements under (i) the Tariff Rate or (ii) the Contract Rate, as applicable, under which the Customer or TC Group was taking service, or would have taken service had the Customer been a Customer of Utility, during the 12 months prior to the Customer's Delivery Services Eligibility Date, based on the actual values for the Customer or TC group of the billing determinants used in the Tariff Rate or Contract Rate applicable to such Customer or TC Group during the 36 month period ended 90 days prior to Customer's or Customers' Delivery Service Eligibility Date and on Qc for such Customer or TC Group. For Customer who took service on more than one Tariff Rate or Contract Rate during such 12 month period and is entitled to a customer-specific calculation, BRc shall be a prorated calculation based on the portions of such 12 month period during which Customer took service on each such Tariff Rate or Contract Rate. Any Customer not entitled to a Customer-specific calculation that took service on more than one Tariff Rate during such 12 month period shall be placed in a TC Group associated with the Tariff Rate on which the Customer last took service during such 12-month period.

DSc = The amount of revenue Utility would receive from a Customer entitled to a Customer-specific calculation in accordance with Section 3, or from the Customers in a TC Group, if Utility were to deliver such Customer's or TC Group's electric power and energy requirements to such Customer or Customers based on Utility's current rates for Transmission Services and Ancillary Services under its Open Access Transmission Tariff and for Distribution Delivery Services under Service Classification 110, with DSc calculated as:

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**4. Determination of Transition Charge (Continued)**

(a) (Continued)

$$DSc = Tc + Dc + A1c + A4c + [(A2c + A3c + A5c + A6c) \times (1 + LFA)],$$

Where:

\* Tc = The amount of Transmission Service revenue Utility would receive from the Customer or TC Group for transmitting Qc (adjusted for losses to the generation level based on LFA), based on the prices for Network Integration Service in Schedule 34 of Utility's Open Access Transmission Tariff at the time of the calculation and calculated in accordance with Appendix 1 to this Rider, workpapers to this Rider regarding coincident peak determination.

Dc = The amount of Distribution Delivery Services revenue (excluding any Transition Charge revenue) Utility would receive for transmitting Qc, based on the rates in Service Classification 110 and the Distribution Delivery Services taken by Customer from Utility. Distribution Delivery Services that are self-provided by the Customer or that the Customer obtains from a third party shall not be included in the computation of Dc.

A1c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 1, Scheduling, System Control and Dispatch Service, of Utility's Open Access Transmission Tariff.

A2c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 2, Reactive Supply and Voltage Control from Generation Sources Service, of Utility's Open Access Transmission Tariff.

A3c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 3, Regulation and Frequency Response Service, of Utility's Open Access Transmission Tariff.

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4. Determination of Transition Charge (Continued)  
(a) (Continued)

A4c = 0.0204 cents/kWh

A5c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 5, Operating Reserve - Spinning Reserve Service, of Utility's Open Access Transmission Tariff.

\* A6c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule ~~5,6~~, Operating Reserve - Supplemental Reserve Service, of Utility's Open Access Transmission Tariff.

LFA = The loss factor applicable to Customer or to Customers in the TC Group, based on such Customer's or Customers' Delivery Voltage, as specified in Utility's Open Access Transmission Tariff and Service Classification 110. LFA represents the additional amount of energy that electric power and energy providers must supply in order for a Customer or TC Group to receive one kWh of energy. For purposes of this Rider, all Customers in a TC Group shall be deemed to be served at distribution - secondary Delivery Voltage.

\* MVc = The market value of Qc for Customer entitled to a Customer-specific calculation in accordance with Section 3, or for the TC Group, during an Annual Period with MVc calculated as:

$$MVc = \Sigma[(Mkt(i) \times Qci) \times (1 + LFA)],$$

~~Period. MVc shall be calculated using the Firm and NonFirm per kWh market values~~ Where:  $\Sigma$  =

The summation of the monthly values of Mkt for the temporal periods determined from Rider MVI or, if Rider MVI is not in effect or has no values for an Annual Period, the values of Mkt for the temporal periods in the such Annual Period as reported in the most recent report of the Neutral Fact Finder. ~~applicable to such Annual Period, adjusted as described in the next sentence, as applied to Qc.~~ The temporal periods for values of Mkt determined from Rider MVI shall be On Peak and Off Peak. In the calculation of MVc(i) the market values per kWh in the On-Peak period or periods as reported in the report of the Neutral Fact Finder shall be adjusted using the adjustment for differences in load profiling required by Section IV.B.2.a.iii of the Commission's Order issued August 25, 1999, in Dockets 99-0120 and 99-0134, which adjustment shall be performed using data for the 12 month period ending on the last day of the second calendar month immediately preceding the start of the Annual Period, (ii) the market each November 30<sup>th</sup>.



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4. Determination of Transition Charge (Continued)

(a) (Continued)

\*Mkt(i) = Per kWh market value of electric power and energy for a temporal period for each month, with Mkt calculated as:

$$\text{Mkt(i)} = \frac{[(\text{FirmP\&E(i)} \times \text{FirmQci}) + (\text{NonFirmP\&Ec(i)} \times \text{NonFirm Qci})]}{(\text{Firm Qci} + \text{NonFirm Qci})}$$

where:

FirmP\&E(i) = Per kWh market value of Firm Energy for the temporal period for each month, adjusted by the Customer's actual historical usage (if available) or TC Group's applicable monthly load profile for each such month in accordance with workpapers to this Rider regarding allocation of usage.

NonFirmP\&E(i) = Per kWh market value of NonFirm Energy for the temporal period for each month, adjusted by the Customer's actual historical usage (if available) or TC Group's applicable monthly load profile for each such month in accordance with workpapers to this Rider regarding allocation of usage.

FirmQci = All kWh usage of Customer or TC Group in Qc for the temporal period of each month which is not NonFirmQci.

NonFirmQci = kWh usage of Customer or TC Group in Qc for the temporal period for each month supplied under Service Classification 30, Service Classification 35, Rider S, or the interruptible portion of a Contract Rate.

⊖The market values per kWh in each period, after adjustment pursuant to the preceding clause, shall be increased by 0.0505 cents per kWh to represent retail marketing costs and uncollectibles costs. The Firm and NonFirm market values, showing adjustments in accordance with the preceding sentence, applicable to the temporal periods in the current Annual Period, shall be set forth in a monthly Information Sheet to Appendix 2 of this Rider. Utility shall file a revised Information Sheet to Appendix 2 of this Rider with the Commission on or before the eighth business day of the month prior to the start of each Annual Period setting forth the market values that will be applicable during the immediately succeeding Annual Period.

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**4. Determination of Transition Charge (Continued)**

(a) (Continued)

- \* ~~values per kWh as reported in the report of the Neutral Fact Finder, after any adjustment pursuant to clause (i), shall be multiplied by  $(1 + LFA)$ , and (iii): the market values per kWh in each period as reported in the report of the Neutral Fact Finder, after adjustment pursuant to clause (i) and clause (ii), shall be increased by 0.0505 cents per kWh to represent retail marketing costs and uncollectibles costs. The Firm and NonFirm market values, showing adjustments in accordance with the preceding sentence, applicable to the temporal periods in the current Annual Period, are set forth in Appendix 5 to this Rider. Utility shall file a revised~~  
Unless otherwise ordered by the Commission, the data shown on an Information Sheet filed in accordance with this paragraph shall become effective as indicated on the Information Sheet and shall remain in effect during the Appendix 5 with the Commission no less than 45 days prior to the end of each Annual Period setting forth the market values that will be applicable during the immediately succeeding effective Annual Period.

Mc = The mitigation factor dollars for a Customer entitled to a Customer-specific calculation in accordance with Section 3, or for the Customers in a TC Group, where Mc is calculated as the greater of the following values for the periods shown below:

<u>Period</u>	<u>Mc Value</u>
Oct. 1, 1999 - Dec. 31, 2002	0.5 ¢ X Qc or .08 X BRc
Jan. 1, 2003 - Dec. 31, 2004	0.5 ¢ X Qc or .10 X BRc
Jan. 1, 2005 - Dec. 31, 2005	0.6 ¢ X Qc or .11 X BRc
Jan. 1, 2006 - Dec. 31, 2006	0.9 ¢ X Qc or .12 X BRc

Qc = The actual kWh usage of the Customer entitled to a Customer-specific calculation in accordance with Section 3, or of a TC Group, for the 36-month period ended 90 days prior to the Delivery Services Eligibility Date for such Customer or Customers.

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**~~4. Determination of Transition Charge (Continued)~~**

- (b) For a Direct Purchase Customer, the lump-sum amount shall be calculated as the total amount of Transition Charges Customer would pay based on (i) the Transition Charge for the Annual Period which includes Customer's Direct Purchase Customer Determination Date, adjusted as described in this Section 4(b), multiplied by (ii) Customer's kWh usage during the twelve months ended 90 days prior to Customer's Direct Purchase Customer Determination Date (adjusted, if applicable, in accordance with Section 1(d) of this Rider), for the number of years or portions thereof from Customer's Direct Purchase Customer Determination Date to December 31, 2006, provided, that in calculating the

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**4. Determination of Transition Charge (Continued)**

**(b) (Continued)**

lump-sum amount, (X) Factor DSc shall not be included in the calculation of the Transition Charge, and (Y) the value for Mc applicable to each period from the Direct Purchase Determination Date to December 31, 2006 shall be used in calculating the Transition Charge for each such period.

**\* 5. Determination of Customer's TC Group**

Utility shall calculate Transition Charges, in accordance with Section 4(a), for each TC Group set forth in Appendix 4~~1~~ to this Rider. Any Customer not entitled to a Customer-specific calculation in accordance with Section 3 of this Rider shall be billed the Transition Charge that has been calculated for Customer's TC Group. Customer's TC Group shall be determined based on (i) Customer's former Bundled Service Classification during the 12 months preceding Customer's Delivery Services Eligibility Date, (ii) whether Customer is a space-heat or non-space heat customer, (iii) Customer's annual kWh usage ~~and/or load factor~~, and (iv) Customer's Business Type, in accordance with Appendix 4.

1. Transition Charges for each TC Group shall be shown on a monthly Information Sheet to Appendix 1 of this Rider. Utility shall file a revised Information Sheet to Appendix 1 of this Rider with the Commission on or before the eighth business day of the month prior to the start of

**~~6. Contract for Market Values in Transition Charges for Periods of Up to Five Years~~**

~~(a) To the extent that the report of the Neutral Fact Finder sets forth market values for one or more calendar years following the calendar year next commencing after the date of the report, Utility will enter into a contract with any Customer giving timely notice in accordance with this Section to use such market values for each such subsequent calendar year elected by Customer up to the fifth succeeding calendar year.~~

**RIDER TC - PAGE 11 OF 12****6. Contract for Market Values in Transition Charges for Periods of Up to Five Years****(Continued)**

~~(b) Customer shall be required to provide the following notice to exercise the option provided by this Section: (i) for a contract covering a total of one or two calendar years, one year's notice prior to the start of the first such calendar year, (ii) for a contract covering a total of three calendar years, two year's notice prior to the start of the first such calendar year, and (iii) for a contract covering a total of four or five calendar years, three year's notice prior to the start of the first such calendar year.~~

~~(c) For a contract covering a total of one or two calendar years, the market values to be used pursuant to this Section shall be the market values set forth for such calendar years in the report of the Neutral Fact Finder issued in the year in which Customer's notice was required to be given in accordance with Section 6(b). For a contract covering a total of three, four or five calendar years, the market values to be used pursuant to this Section shall be the market values set forth for such calendar years in the report of the Neutral Fact Finder issued in the year immediately preceding the first calendar year covered by such contract.~~

~~(d) A Customer giving notice to Utility of intent to enter into a contract pursuant to this Section may, but shall not be required to, purchase from Utility an option to revoke Customer's notice which option may be exercised no later than 30 days following the date of issuance of the report of the Neutral Fact Finder containing the market values to be used in calculating Customer's Transition Charges pursuant to the contract. Customer must purchase such option within 30 days after giving notice to Utility pursuant to Section 6(c). Utility shall charge Customer a fee for such option. The fee for Customer's option shall be calculated using the standard Black Scholes option pricing model for a call option expiring on the last date on which the option can be exercised at a strike price and an assumed forward price equal to the weighted average Settlement Price per kWh for the Cinergy Electricity Futures Contract traded on the New York Mercantile Exchange for the twelve calendar months next following the date of Customer's notice of intent, using the most recent Settlement Prices as of the date of Customer's notice of intent, and the values of  $Q_c$  for Customer, and with the price volatility component of the pricing model based on historic Settlement Prices for the Cinergy Electricity Futures Contract for the 24 months preceding the date of Customer's notice of intent.~~

each Annual Period setting forth the Transition Charges for each TC Group that will be applicable during the immediately succeeding Annual Period. Unless otherwise ordered by the Commission, the data shown on an Information Sheet filed in accordance with this paragraph shall become effective as indicated on the Information Sheet and shall remain in effect during the effective Annual Period.

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**\* 6. Determination of Transition Charges for Annual Periods**

On or before the eighth business day of each month, Utility shall calculate Transition Charges to be applicable during the Annual Period consisting of the twelve months beginning with the next calendar month, for each TC Group and for any Customer commencing Delivery Services in the next calendar month and entitled to a Customer-specific calculation in accordance with Section 3. Such Transition Charges shall be calculated in accordance with Section 4(a) of this Rider, but shall be based on (X) Utility's current rates for Transmission Services and Ancillary Services under its Open Access Transmission Tariff and for Distribution Delivery Services under Service Classification 110, (Y) the market values for the Annual Period, determined pursuant to Rider MVI, filed by Utility with the Commission on or before each such eighth business day, and (Z) the values of  $M_c$  applicable to each month in such Annual Period, weighted by the percentage of  $Q_c$  occurring in each such month. Utility shall file with the Commission Information Sheets to Appendix 1 of this Rider on or before each such eighth business day setting forth the Transition Charges to be applicable for each TC Group for Delivery Services commencing in the next calendar month. The Transition Charges calculated and filed pursuant to this Section shall be applicable (i) to any Customer commencing Delivery Services, and (ii) any Customer commencing service under a Rider PPO contract, on a date that occurs during the first month of the Annual Period that such Transition Charges were on file with the Commission. For Customers described in clause (i), Customer's Transition Charge shall be reset on the annual anniversary of the date on which Customer commenced Delivery Services, based on the market values and/or Transition Charges on file with the Commission for such anniversary date. For Customers already taking Delivery Services on January 1, 2001, the market values used in Customer's Transition Charge shall be effective until Customer's next annual anniversary of the date on which Customer commenced Delivery Services. Except as provided in Section 7 of this Rider and in Rider PPO, each Customer commencing Delivery Services on or after the first day of the first month of such Annual Period shall be subject to the Transition Charge that is applicable to Customer for such Annual Period.

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6.\*7. Contract for Market Values in Transition Charges for Periods of Up to Five Years  
(Continued)

- (a) To the extent that the report of the Neutral Fact Finder sets forth market values for one or more calendar years following the calendar year next commencing after the date of the report, Utility will enter into a contract with any Customer giving timely notice in accordance with this Section to use such market values for each such subsequent calendar year elected by Customer up to the fifth succeeding calendar year.
- (b) Customer shall be required to provide the following notice to exercise the option provided by this Section: (i) for a contract covering a total of one or two calendar years, one year's notice prior to the start of the first such calendar year, (ii) for a contract covering a total of three calendar years, two year's notice prior to the start of the first such calendar year, and (iii) for a contract covering a total of four or five calendar years, three year's notice prior to the start of the first such calendar year.
- \* (c) For a contract covering a total of one or two calendar years, the market values to be used pursuant to this Section shall be the market values set forth for such calendar years in the report of the Neutral Fact Finder issued in the year in which Customer's notice was required to be given in accordance with Section 67(b). For a contract covering a total of three, four or five calendar years, the market values to be used pursuant to this Section shall be the market values set forth for such calendar years in the report of the Neutral Fact Finder issued in the year immediately preceding the first calendar year covered by such contract.
- \* (d) A Customer giving notice to Utility of intent to enter into a contract pursuant to this Section may, but shall not be required to, purchase from Utility an option to revoke Customer's notice which option may be exercised no later than 30 days following the date of issuance of the report of the Neutral Fact Finder containing the market values to be used in calculating Customer's Transition Charges pursuant to the contract. Customer must purchase such option within 30 days after giving notice to Utility pursuant to Section 67(c). Utility shall charge Customer a fee for such option. The fee for Customer's option shall be Utility's actual cost in purchasing an offsetting, financial option from the open market, as evidenced by an executed agreement, plus a risk management and administrative fee of the greater of \$100 or 2% of the option premium. Utility shall solicit no fewer than five (5) offers for such an option. Should Utility receive fewer than three (3) qualified responses to the solicitation, Customer shall be presented with the option of accepting the best offer received or having the

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\*7. Contract for Market Values in Transition Charges for Periods of Up to Five Years

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\* (d) (Continued)

process repeated. In the event that Customer chooses to repeat the process, an additional fee of \$100 shall be charged. Such solicitation shall specify an option at a strike price equal to the current Qc, expiring upon the last date upon which Customer's option could be exercised. Upon receipt of such offers and presentation to Customer, said Customer shall have no more than 24 hours to accept or reject the purchase price.

~~(e)~~ \* (e) During the terms of any contract entered into pursuant to this Section ~~6,7~~, and notwithstanding any other provisions of Service Classification 110, Rider PPO or any Bundled Service Classification, Utility shall have no obligation to supply electric power and energy for the electric power and energy requirements placed on Delivery Services by a Customer which has entered into a contract pursuant to this Section ~~67~~ for the calendar years covered by such contract, unless the Customer has purchased and exercised an option to revoke in accordance with Section ~~6(d)~~7(d) of this Rider.